

KRIS W. KOBACH
Secretary of State



Memorial Hall, 1st Floor
120 S.W. 10th Avenue
Topeka, KS 66612-1594
(785) 296-4564

STATE OF KANSAS

February 16, 2017

Senator Bowers and Committee Members,

My name is Kathy Sachs. I am the Deputy Assistant Secretary of State for Business Services. Thank you for the opportunity to speak today concerning HB 2597.

The Secretary of State's office opposes the provisions of HB 2597 because this bill would have unintended consequences related to the regulation of cemetery trust funds.

K.S.A. 17-1312f provides a list of exemptions to cemetery trust fund regulation. Specifically, subsection (c) states that any cemetery existing on March 1, 1968, located in a county designated as urban, and owned and operated on said date by a nonprofit organization”.

Public policy dictates that consumers are entitled to extra protection regarding cemetery purchases. The office of the Secretary of State is charged with oversight of two types of cemetery trust funds; Permanent Maintenance Funds and Cemetery Merchandise Trust Funds.

The purpose of the Permanent Maintenance Fund is to maintain the corpus of the fund so that when a cemetery is no longer able to sell plots, the income from the fund will be sufficient to keep the grass mowed and other general upkeep.

The Cemetery Merchandise Trust Fund allow consumers to prepay for cemetery merchandise with confidence that funds will be available at the time of need for the purchase of items such as headstones and urns.

We understand that Sedgwick County is requesting this legislation to allow the legislature to pass laws specific to Sedgwick County without impacting and possibly harming the operations of the state's other 104 counties and we don't want to interfere with their goals. We therefore ask you to consider amending K.S.A. 17-1312f to read as follows:

“(c) any cemetery located in a county that was designated as urban on or before March 1, 1968, which was also and owned and operated by a nonprofit on that date.”

Thank you for your consideration and I would be happy to answer any questions.